



U.S. Department
of Transportation
Federal Aviation
Administration

Memorandum

Subject: **ACTION:** FY 2003 Facilities and Equipment
Activity 6 Allowance

Date: JUL 11 2003

From: Acting Assistant Administrator for Financial
Service/CFO

Reply to
Attn. of:

To: Director, William J. Hughes Technical Center, ACT-1

Several months ago, the Budget Office verbally outlined your office's allowance from the Facilities and Equipment Activity 6 account. This memo provides written confirmation of that guidance. As you are probably aware, these allowances represent significantly less funding than was anticipated. The lower funding levels are due to (1) a congressional reduction of approximately \$20 million; (2) an across-the-board rescission of 0.65 percent; (3) a requirement to cover an additional \$7.2 million in Direct Labor costs; and (4) the need to cover \$1.7 million in Airway Facilities back pay.

Funding has been allocated so that all staff on-board as of March 31 is fully funded. Maintaining this staffing level unfortunately requires deep reductions in non-pay spending categories. Although some adjustments were made to account for organizational realignments and some fund transfers, the funding provided for non-pay items has been reduced 27 percent below FY 2002 levels.

As a result of the tight budget in FY 2003 and uncertainty in FY 2004, the following spending restrictions will remain in place until further notice:

- A complete hiring freeze;
- Travel restricted to that necessary to sustain NAS modernization and implement high priority procurements;
- PCS moves for essential personnel only;
- No incentive awards; and
- Overtime only for mission critical requirements

Your office's allowance for FY 2003 is provided below.

ACT	FTEs	Total
ATQ	18	2325.8
ACT	495	55,649.9
AOS	23	2,230.0

I realize that it may be difficult for your office to operate under these constraints. While you should not take any action that would result in exceeding your allowance, I encourage you to contact me or the Budget Office if you believe that this funding level will prevent you from completing essential activities. We will review spending after the third quarter and determine

whether changes to the restrictions are warranted. As in past years, a quarterly obligation plan for fiscal year 2003 should be submitted by July 18, 2003. First and second quarter amounts should reflect actual obligations.

My staff is ready to assist you and/or answer any questions you may have regarding your allowance. Contact Phil Genua at (202) 267-9021, if you need additional information.


John F. Hennigan

cc: SCT - ACX-30

RECEIVED

DATE:

7/11/03

OFFICE OF THE DIRECTOR

WILLIAM J. HUGHES TECHNICAL CENTER

ACT-1 2003, SS